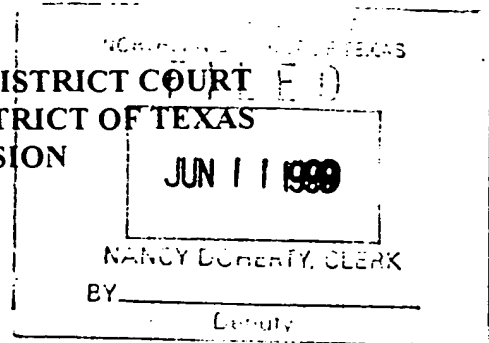


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



PRINTING RESEARCH, INC.
and HOWARD W. DEMOORE,

Plaintiffs,

v.

WILLIAMSON PRINTING
CORPORATION and
JESSE S. WILLIAMSON,

Defendants.

§
§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 3-99CV1154-D

DEFENDANTS' ANSWER

For their answer to Plaintiffs' Original Complaint ("Complaint"), Defendants Williamson Printing Corporation, Bill L. Davis and Jesse S. Williamson ("Defendants") state the following:

Parties

1. Defendants admit the allegations of paragraph 1 of the Complaint.
2. Defendants admit that Howard W. DeMoore ("DeMoore") is an individual, but are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 2 of the Complaint and, therefore, they deny such allegations and demand strict proof thereof.
3. Defendants admit the allegations of paragraph 3 of the Complaint.
4. Defendants admit the allegations of paragraph 4 of the Complaint.
5. Defendants admit the allegations of paragraph 5 of the Complaint.

108050-96251260

Jurisdiction

6. Defendants admit that Plaintiffs have attempted to invoke the jurisdiction of this court under 28 U.S.C. § 1338 with respect to their claim for correction of inventorship in regard to United States Patent No. 5,630,363 ("the '363 patent") under 35 U.S.C. § 256 (Count I), their action for infringement of the '363 patent under 35 U.S.C. § 271 (Count II) and their claim to recover attorney's fees under 35 U.S.C. § 285 (Count VI). Defendants further admit that venue is proper in this court under 28 U.S.C. §§ 1391(b)(c) and 1400(b). Defendants deny the remaining allegations of paragraph 6 of the complaint.

7. Defendants admit that Plaintiffs have attempted to invoke the supplemental jurisdiction of this court under 28 U.S.C. § 1367 in regard to the causes of action asserted in Counts III, IV and V, and deny the remaining allegations of paragraph 7 of the Complaint.

8. Defendants admit the allegations of paragraph 8 of the Complaint.

Background

9. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 9 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

10. Defendants deny the allegations in the first three sentences of paragraph 10 of the Complaint. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in the fourth sentence of paragraph 10 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

11. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of the first two sentences of paragraph 11 of the Complaint and, therefore,

deny such allegations and demand strict proof thereof. Defendants deny the allegations in the third sentence of paragraph 11 of the Complaint.

12. Defendants admit the allegations in the first sentence of paragraph 12 of the Complaint. In regard to the second sentence of paragraph 12 of the Complaint, Defendants admit that, in 1994, Williamson Printing Corporation ("WPC") possessed and used a Heidelberg seven-color press with tower coater and a Heidelberg six-color CD press at its Dallas facilities.

13. Defendants deny the allegations of paragraph 13 of the Complaint.

14. Defendants deny the allegations of paragraph 14 of the Complaint.

15. Defendants deny the allegations of paragraph 15 of the Complaint.

16. In regard to the allegations of paragraph 16 of the Complaint, Defendants admit that WPC purchased and acquired for consideration in 1995 from Printing Research, Inc. ("PRI") at least two flexographic printer coater units custom made to WPC's requirements. Defendants deny the remaining allegations of paragraph 16 of the Complaint.

17. The allegations of paragraph 17 of the Complaint are denied.

18. The allegations of paragraph 18 of the Complaint are denied.

19. In regard to paragraph 19 of the Complaint, Defendants admit the allegations of the first two sentences, except they deny that the '097 application was "subsequently" assigned to WPC, deny the allegations of the third sentence, and admit the allegations of the fourth, fifth and sixth sentences, except they deny the allegation in the fifth sentence that the '363 patent "describes and claims the Lithoflex system."

20. Defendants deny the allegations of paragraph 20 of the Complaint.

21. Defendants deny the allegations of paragraph 21 of the Complaint.

103050-9675760

22. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 22 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

23. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 23 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

24. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 24 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

25. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 25 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

26. Defendants deny the allegations of paragraph 26 of the Complaint.

27. Defendants deny the allegations of paragraph 27 of the Complaint.

28. With respect to the allegations of paragraph 28 of the Complaint, Defendants admit that they applied for and obtained issuance of the '363 patent and that WPC is the owner of the '363 patent, and deny the remaining allegations of paragraph 28.

29. Defendants deny the allegations of paragraph 29 of the Complaint.

30. Defendants deny the allegations of paragraph 30 (1) of the Complaint.

30. Defendants deny the allegations of paragraph 30 (2) of the Complaint.

COUNT I

Correction of Inventorship

31. Defendants repeat, and incorporate herein by reference, the responses set forth in paragraphs 9-30 above.

32. Defendants deny the allegations of paragraph 32 of the Complaint.

33. Paragraph 33 of the Complaint does not state facts, but provides Plaintiffs' position on the law. Defendants are without knowledge or information sufficient to form a belief as to the truth of any implied allegations of fact in paragraph 33 of the Complaint and, therefore, deny any such implied allegations of fact and demand strict proof thereof.

34. In regard to the allegations of paragraph 34 of the Complaint, Defendants admit that Bill L. Davis ("Davis") and Jesse S. Williamson ("Williamson") are the named inventors of the '363 patent, that the '363 patent has been assigned to WPC and that Defendants have each received a copy of the Complaint, and the remaining allegations are denied.

35. With respect to the allegations of paragraph 35, Defendants admit that Plaintiffs have requested the court to correct inventorship of the '363 patent pursuant to 35 U.S.C. § 256, but they deny the remaining allegations of paragraph 35 and specifically deny that DeMoore is the sole or joint inventor of the invention of the '363 patent.

COUNT II

Patent Infringement

36. Defendants repeat, and incorporate herein by reference, the responses set forth in paragraphs 9-30 and 32-35 above.

37. Defendants deny the allegations of paragraph 37 of the Complaint.

38. Defendants deny the allegations of paragraph 38 of the Complaint.
39. Defendants admit the allegations of paragraph 39 of the Complaint.
40. Defendants deny the allegations of paragraph 40 of the Complaint.
41. Defendants deny the allegations of paragraph 41 of the Complaint.
42. Defendants deny the allegations of paragraph 42 of the Complaint.
43. Defendants deny the allegations of paragraph 43 of the Complaint.
44. Defendants deny the allegations of paragraph 44 of the Complaint.

COUNT III

Conversion

45. Defendants repeat, and incorporate herein by reference, paragraphs 9-30, 32-35, and 37-44 above.
46. Defendants deny the allegations of paragraph 46 of the Complaint.
47. Defendants deny the allegations of paragraph 47 of the Complaint.
48. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 48 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.
49. Defendants deny the allegations of paragraph 49 of the Complaint.
50. Defendants deny the allegations of paragraph 50 of the Complaint.

COUNT IV

Tortious Interference with Prospective Business Relations

51. Defendants repeat, and incorporate herein by reference, paragraphs 9-30, 32-35, 37-44 and 46-50 above.

09315796-050801
T08050-96757E60

52. Defendants deny the allegations of paragraph 52 of the Complaint.

53. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 53 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

54. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 54 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

55. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 55 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

56. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 56 of the Complaint and, therefore, deny such allegations and demand strict proof thereof.

57. Defendants deny the allegations of paragraph 57 of the Complaint.

58. Defendants deny the allegations of paragraph 58 of the Complaint.

COUNT V

Breach of Contract

59. Defendants repeat, and incorporate herein by reference, paragraphs 9-30, 32-35, 37-44, 46-50 and 52-58 above.

60. Defendants deny the allegations of paragraph 60 of the Complaint.

61. Defendants deny the allegations of paragraph 61 of the Complaint.

62. Defendants deny the allegations of paragraph 62 of the Complaint.

63. Defendants deny the allegations of paragraph 63 of the Complaint.

COUNT VI

Attorney's Fees

64. Defendants repeat, and incorporate herein by reference, paragraphs 9-30, 32-35, 37-44, 46-50, 52-58, and 60-63 above.

65. Defendants deny the allegations of paragraph 65 of the Complaint as to Plaintiffs' allegations.

General Defenses

66. Plaintiffs' allegations that Defendants committed fraud on the Patent Office in paragraphs 20, 50 and 57 fail to comply with the requirements of Rule 9(b), Fed. R. Civ. P., and, therefore, all counts of the Complaint should be dismissed.

67. On information and belief, Plaintiff PRI lacks standing with respect to Counts I, II, III and V because PRI does not own any purported rights with respect to the Lithoflex system, but as alleged in paragraph 10 of the Complaint, is merely licensed under DeMoore's purported rights to the "inventions represented by the Lithoflex system and the printer/coater unit."

68. DeMoore lacks standing to seek damages under Counts III, IV and V and, therefore, these counts should be dismissed as to DeMoore.

69. Each of Plaintiffs' state law claims, including their claims for conversion (Count III), tortious interference with prospective business relations (Count IV) and breach of contract (Count V), are preempted by federal law because (a) the issue of determining patent inventorship has been

solely vested in the federal courts and the Patent Office, not the state courts, and (b) it is the policy of the patent laws to promote the filing of patent applications and the public disclosure of inventions. Encouraging alleged inventors to adjudicate inventorship claims through state law allegations would chill the disclosure of patentable inventions in a manner contrary to this policy.

Additional Defenses to Count I

70. Plaintiff DeMoore is equitably estopped to claim that he is the sole inventor of the '363 patent because he has represented to Defendants that he was a joint inventor of the '363 patent.

71. Count I of the Complaint fails to state a claim upon which relief can be granted because Plaintiffs have not alleged, and cannot allege, that Plaintiffs, or either of them, collaborated as a joint inventor with Defendants Davis and Williamson in the conception of the '363 patent.

72. On information and belief, Plaintiffs knew that Defendants would pursue patent protection with respect to the invention of the '363 patent at least as early as January 1995 and are, therefore, equitably estopped from challenging inventorship in this proceeding.

73. Plaintiffs are barred from claiming either sole or joint inventorship of the '363 patent because they failed to file any challenge or protest with the United States Patent and Trademark Office ("PTO") regarding issuance of the '363 patent and failed to assert any inventorship allegations with regard to the '363 patent within one year of its issuance as required by 35 U.S.C. § 135(b).

Additional Defenses to Count II

74. Plaintiffs do not have standing to assert a claim for infringement of the '363 patent under 35 U.S.C. § 281 because neither of them is a "patentee" under 35 U.S.C. § 100(d). Moreover, and in the alternative, even if either or both Plaintiffs has standing, a claim for infringement is not

ripe for adjudication under Article III of the Constitution and, therefore, there is a lack of a justiciable controversy at the present time in regard to infringement by WPC of its own patent.

75. Plaintiffs are estopped to assert infringement by Defendants of any patent rights they claim rights to in this action because PRI sold or transferred for consideration to WPC the custom made flexographic printer coater units described in paragraph 16 above and thereby exhausted any purported rights they may have.

76. Plaintiff DeMoore is equitably estopped to claim that he is the sole inventor of the '363 patent because he has represented to Defendants that he was a joint inventor of the '363 patent.

77. Plaintiffs are administratively estopped from asserting any claim of sole or joint inventorship with respect to the '363 patent because they failed to assert such a claim with the Patent Office and failed to file a patent application describing and /or claiming the invention of the '363 patent.

78. Plaintiffs are further estopped from bringing any infringement claim in this proceeding based upon the lapse time in commencement of this case after their initial awareness of Defendants' actions in pursuing the '363 patent.

Additional Defenses to Count III

79. Count III of the Complaint fails to state a claim upon which relief can be granted because Plaintiffs possess no present ownership interest or *prima facie* title in the '363 patent, nor do they have any immediate or superior right of possession to the '363 issued patent or to any rights to exclude others under the '363 patent.

80. Plaintiffs' are barred by limitations and estopped from asserting any state law conversion claims against Defendants because of the lapse in time in commencement of this case after their initial awareness of Defendants' actions in pursuing the '363 patent.

Additional Defenses to Count IV

81. Count IV of Plaintiffs' Complaint fails to state a claim upon which relief can be granted because Plaintiffs have not alleged, and cannot allege, that Defendants had actual knowledge of a contract or potential contract, if any, between PRI and Hallmark relating to a process covered by the '363 patent.

82. Plaintiffs lack standing to assert Count IV because neither own both the purported rights to the invention and the prospective business relationship with Hallmark.

Additional Defenses to Count V

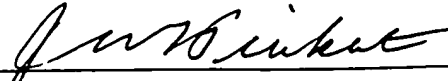
83. Count V of Plaintiffs' Complaint fails to state a claim upon which relief can be granted because enforcement of any alleged confidentiality agreement would be barred by the statute of frauds if such agreement was not reduced to writing.

84. Plaintiffs have no protectable interest in any information allegedly disclosed to Defendants in confidence because Plaintiffs publically disclosed and disseminated the alleged confidential information.

WHEREFORE, Defendants respectfully pray for:

- (a) entry of an order dismissing Counts I-VI of Plaintiffs' Original Complaint;
- (b) entry of judgment denying all relief sought in Plaintiffs' Original Complaint; and,
- (c) such other and further relief as the Court may deem just and proper.

Respectfully submitted,



John P. Pinkerton

Texas State Bar No. 1601670

David P. Poole

Texas State Bar No. 16123750

Robert J. Ward

Texas State Bar No. 00791879

Steven T. Holmes

Texas State Bar No. 00794918

**WORSHAM, FORSYTHE
& WOOLDRIDGE, L.L.P.**

1601 Bryan, 30th Floor

Dallas, Texas 75201

(214) 979-3000 (telephone)

(214) 880-0011 (fax)

ATTORNEYS FOR DEFENDANTS

09345796-050801

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Defendants' Answer was served on Plaintiffs' counsel by placing a true and correct copy thereof in the United States Mail, postage prepaid, on the 10th day of June, 1999, addressed as follows:

William D. Harris, Jr.
LOCKE LIDDELL & SAPP, LLP
2200 Ross Ave., Suite 2200
Dallas, Texas 75201



John P. Pinkerton

09315796-050801